

CS FOR SENATE BILL NO. 4 (JUDICIARY)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 5/8/91
Referred: Finance

Sponsor(s): SENATORS ZHAROFF, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Gaming Commission; and providing for an effective date."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 05.15 is amended by adding new sections to read:

4 **ARTICLE 4. ALASKA GAMING COMMISSION.**

5 **Sec. 05.15.300. ALASKA GAMING COMMISSION.** (a) The Alaska Gaming
 6 Commission is established in the Department of Commerce and Economic Development. The
 7 commission is composed of five members appointed by the governor, subject to confirmation by
 8 the legislature.

9 (b) Each member of the commission shall at the time of the member's appointment be
 10 a resident of the state. One member shall be appointed from each of the four judicial districts
 11 of the state, and the fifth member may reside anywhere in the state.

12 (c) A person may not serve as a member of the commission if that person

13 (1) has been convicted of

14 (A) a felony; or

1 (B) an offense under this chapter, AS 11.66.200 - 11.66.280, or a
2 comparable provision of municipal, state, or federal law;

3 (2) holds an operator's license under AS 05.15.122 or a distributor's license under
4 AS 05.15.183; or

5 (3) is an elected official of the state or of a political subdivision of the state.

6 (d) A person may not serve as a member of the commission until the investigation
7 required under AS 18.65.080(b) is completed.

8 (e) The commission shall elect a chair from its membership.

9 (f) Three members of the commission constitute a quorum for the transaction of business.

10 Sec. 05.15.310. TERM OF OFFICE. (a) Members of the commission serve staggered
11 terms of four years. A vacancy is filled by appointment for the unexpired term.

12 (b) A member may not serve for more than eight years.

13 Sec. 05.15.320. REMOVAL AND SUSPENSION OF MEMBERS. (a) The governor
14 may remove a member for cause, including incompetence, neglect of duty, or misconduct in
15 office. A member being removed for cause shall be given a copy of the charges and afforded
16 an opportunity to publicly present a defense in person or by counsel upon not less than 10 days'
17 notice. If a member is removed for cause, the governor shall file with the lieutenant governor
18 a complete statement of all charges made against the member and the governor's findings based
19 on the charges, together with a complete record of the proceedings.

20 (b) The governor may immediately suspend a member for a violation of law or for
21 misconduct in office pending removal from office under (a) of this section.

22 Sec. 05.15.330. COMPENSATION AND PER DIEM. Members of the commission do
23 not receive a salary for their service on the commission but are entitled to per diem and travel
24 expenses authorized for state boards and commissions under AS 39.20.180.

25 Sec. 05.15.340. DUTIES AND POWERS OF THE COMMISSION. (a) The commission
26 shall

27 (1) license, regulate, and supervise games of chance and contests of skill under
28 this chapter;

29 (2) hire an executive director and other staff as needed to enforce and administer
30 this chapter;

31 (3) meet at least once every three months; and

1 (4) adopt regulations necessary to carry out the provisions of this chapter.
2 (b) The commission may appoint a hearing officer to conduct a hearing required by this
3 chapter or by a regulation adopted under it.
4 Sec. 05.15.350. EMPLOYEES OF THE COMMISSION. The executive director of the
5 commission is in the partially exempt service under AS 39.25.120. Other employees of the
6 commission are in the classified service under AS 39.25.100.
7 Sec. 05.15.360. REGULATIONS OF THE COMMISSION. The attorney general shall
8 enforce the regulations of the commission.
9 Sec. 05.15.370. RECORDS OF THE COMMISSION. (a) Except as provided in (b) of
10 this section, all records of the commission are public records and subject to public inspection.
11 (b) Records relating to audits and investigations by the commission, both ongoing and
12 completed, are confidential, except for the audit report issued by the commission and records
13 submitted as evidence in an administrative or judicial proceeding that results from an
14 investigation.
15 Sec. 05.15.380. PROCEEDS. Fees and other money received by the commission shall
16 be paid into the general fund.
17 Sec. 05.15.390. ADMINISTRATIVE PROCEDURE ACT. The operations of the
18 commission are subject to the Administrative Procedure Act (AS 44.62).
19 Sec. 05.15.400. CONFLICT OF INTEREST ACT. The commission is subject to
20 AS 39.50 (conflict of interest).
21 * Sec. 2. AS 05.15.010 is repealed and reenacted to read:
22 Sec. 05.15.010. ALASKA GAMING COMMISSION TO ADMINISTER CHAPTER.
23 The Alaska Gaming Commission shall administer this chapter.
24 * Sec. 3. AS 05.15.100 is amended by adding a new subsection to read:
25 (d) The commissioner may not issue a permit or license under this chapter to a person
26 who has, within one year preceding the person's application for a permit or license, been a
27 member of the Alaska Gaming Commission established under AS 05.15.300.
28 * Sec. 4. AS 05.15.112 is amended by adding a new subsection to read:
29 (e) A person may not serve as a member in charge if the person has, within the preceding
30 one year, been a member of the Alaska Gaming Commission established under AS 05.15.300.
31 * Sec. 5. AS 05.15.210(6) is repealed and reenacted to read:

1 (6) "commission" means the Alaska Gaming Commission;

2 * Sec. 6. AS 11.66.280(2) is amended to read:

3 (2) "gambling" means that a person stakes or risks something of value upon the
4 outcome of a contest of chance or a future contingent event not under the person's control or
5 influence, upon an agreement or understanding that person or someone else will receive
6 something of value in the event of a certain outcome; "gambling" does not include

7 (A) bona fide business transactions valid under the law of contracts for
8 the purchase or sale at a future date of securities or commodities and agreements to
9 compensate for loss caused by the happening of chance, including contracts of indemnity
10 or guaranty and life, health, or accident insurance; [OR]

11 (B) playing an amusement device that

12 (i) confers only an immediate right of replay not
13 exchangeable for something of value other than the privilege of immediate replay;
14 and

15 (ii) does not contain a method or device by which the
16 privilege of immediate replay may be cancelled or revoked; or

17 (C) an activity authorized [BY THE COMMISSIONER OF COMMERCE
18 AND ECONOMIC DEVELOPMENT] under AS 05.15;

19 * Sec. 7. AS 18.65.080 is amended by adding a new subsection to read:

20 (b) The Department of Public Safety shall investigate and ascertain whether a person
21 appointed by the governor to serve as a member of the Alaska Gaming Commission has been
22 convicted of a crime set out in AS 05.15.300(c).

23 * Sec. 8. AS 39.25.120(c) is amended by adding a new paragraph to read:

24 (21) the executive director of the Alaska Gaming Commission.

25 * Sec. 9. AS 39.50.200(b) is amended by adding a new paragraph to read:

26 (52) Alaska Gaming Commission (AS 05.15.300).

27 * Sec. 10. AS 44.62.330(a) is amended by adding a new paragraph to read:

28 (57) Alaska Gaming Commission (AS 05.15.300).

29 * Sec. 11. AS 44.66.010(a) is amended by adding a new paragraph to read:

30 (20) Alaska Gaming Commission (AS 05.15.300) -- June 30, 1995.

31 * Sec. 12. AS 05.15.210(8) and AS 44.33.020(31) are repealed.

1 * **Sec. 13. INITIAL COMMISSION APPOINTMENTS.** The governor shall make the initial
2 appointment of members of the Alaska Gaming Commission within 120 days after the effective date of
3 this Act. The governor shall set the terms of initial members so that two members serve terms of four
4 years, one member serves a term of three years, one member serves a term of two years, and one
5 member serves a term of one year.

6 * **Sec. 14. TRANSITION.** (a) Regulations relating to games of chance and contests of skill, adopted
7 by the Department of Revenue or the Department of Commerce and Economic Development under
8 authority of AS 05.15 before July 1, 1991, and in effect on the effective date of this Act remain in effect
9 until regulations relating to that function that are adopted by the Alaska Gaming Commission under
10 AS 05.15 as amended by this Act, take effect. The Alaska Gaming Commission shall administer the
11 Department of Revenue and the Department of Commerce and Economic Development regulations until
12 its own take effect.

13 (b) Until the Alaska Gaming Commission is appointed, the Department of Commerce and
14 Economic Development shall administer games of chance and contests of skill under AS 05.15 and under
15 the regulations referred to in (a) of this section.

16 * **Sec. 15. IMPLEMENTATION OF LEGISLATION.** To be consistent with the changes made by
17 this legislation, wherever in AS 05.15 and in regulations adopted under those statutes "Department of
18 Commerce and Economic Development," "department," or "commissioner" is used, they shall be read
19 as referring to the Alaska Gaming Commission or commission when to do so would implement the
20 purposes of this Act. Under AS 01.05.031, the revisor of statutes shall implement this section in the
21 statutes, and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section in the
22 administrative regulations.

23 * **Sec. 16.** This Act takes effect July 1, 1991.